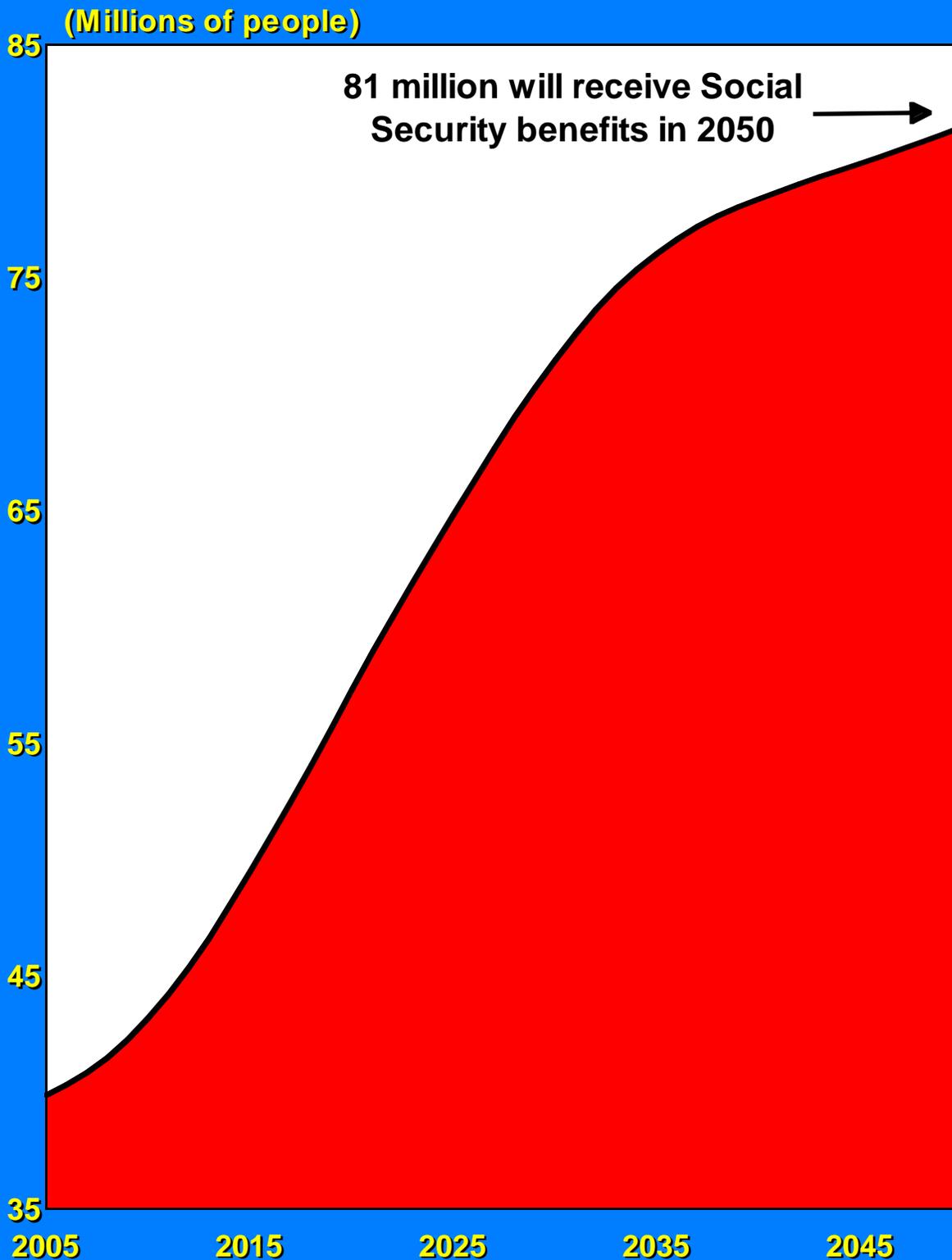


Conrad “Save Social Security First” Amendment

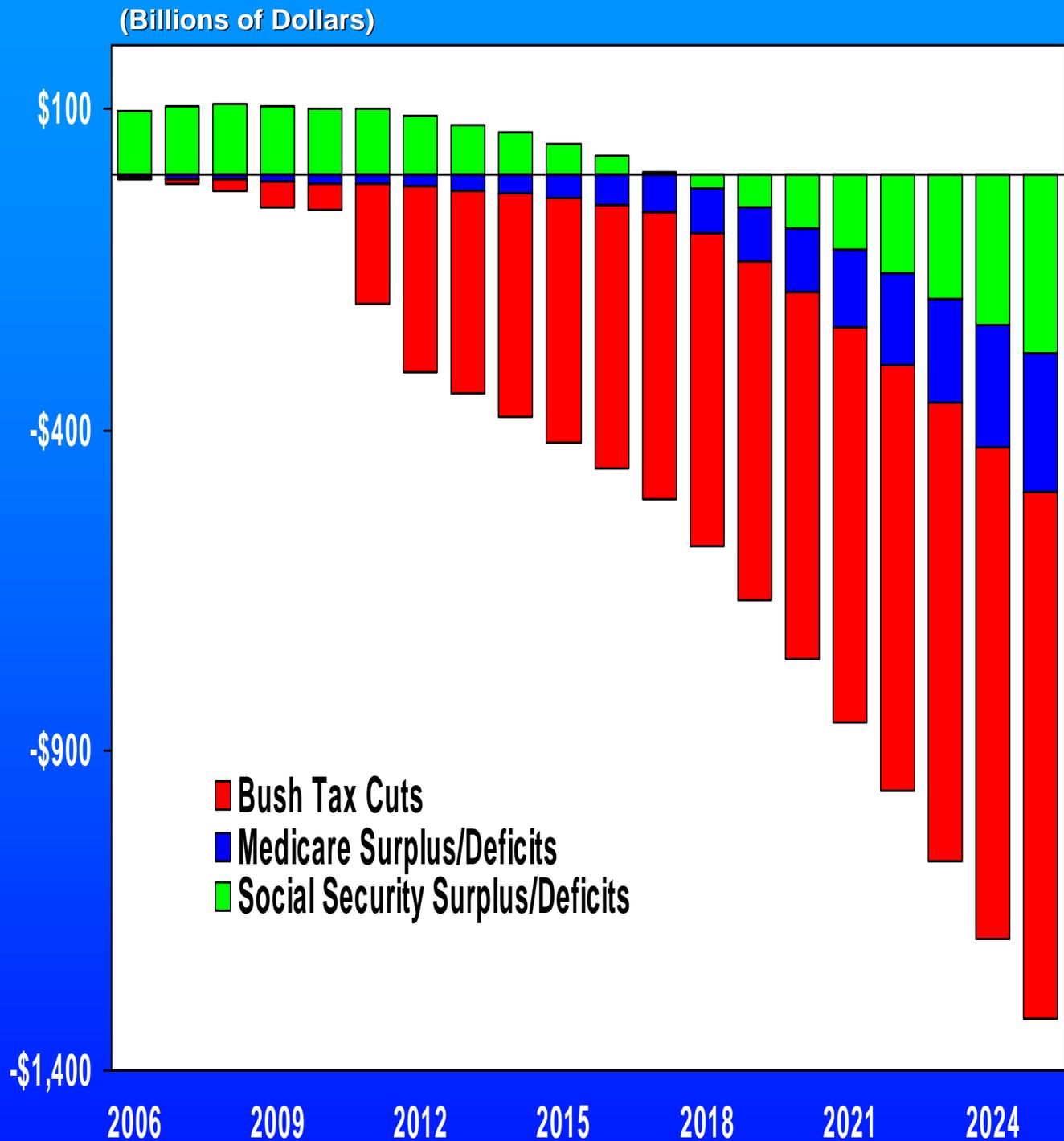
- **No new mandatory spending or tax cuts until Social Security is solvent, unless:**
 - **Paid for, or**
 - **60 votes**

Number of Social Security Beneficiaries Explodes with Retirement of Baby Boom Generation



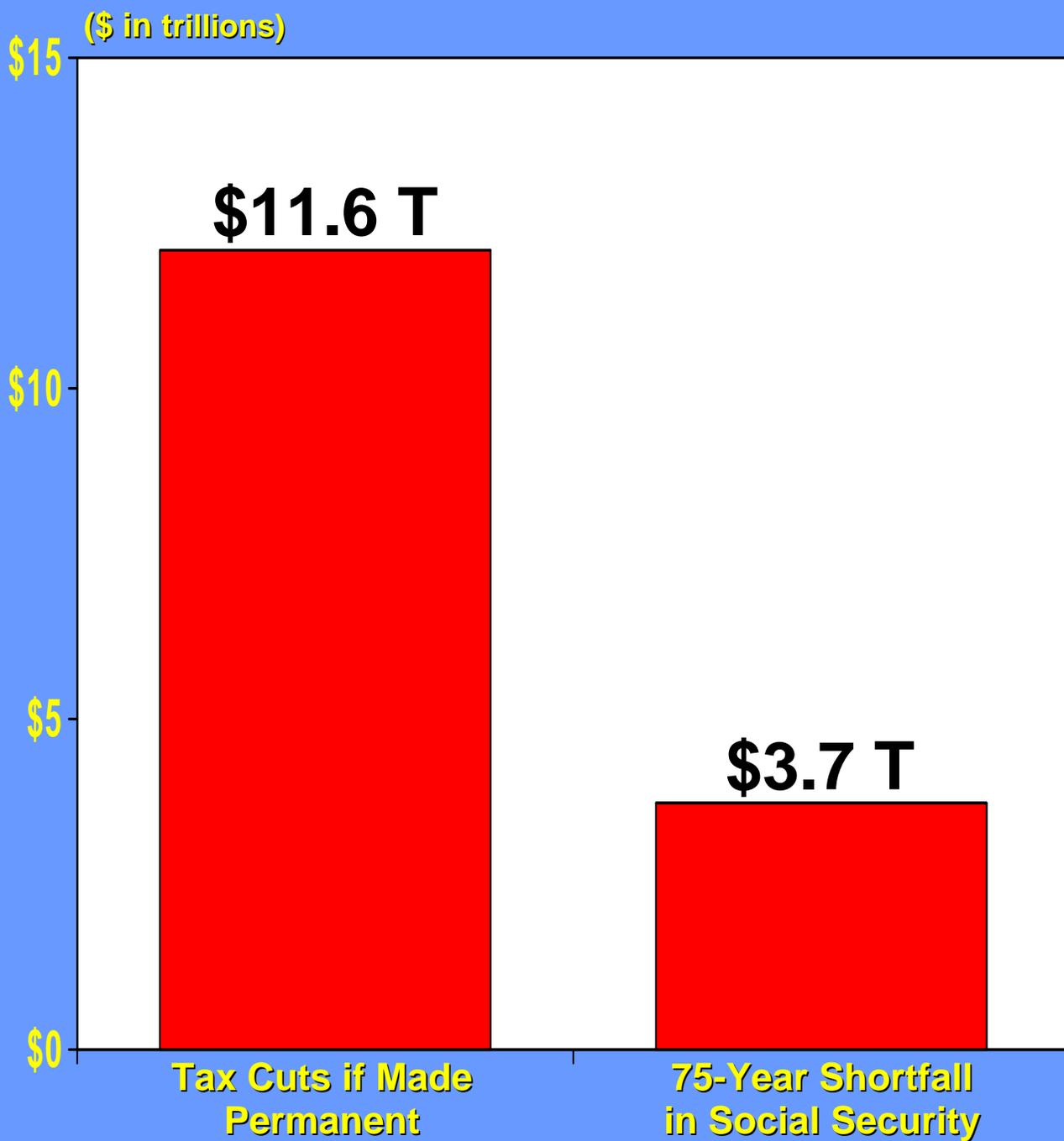
Source: 2004 Social Security Trustees Report
Note: OASI beneficiaries

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2006-2025



Source: CBO, Center on Budget and Policy Priorities, SBC Democratic staff

The Bush Tax Cuts and Social Security Present Value of Costs Over the Next 75 Years



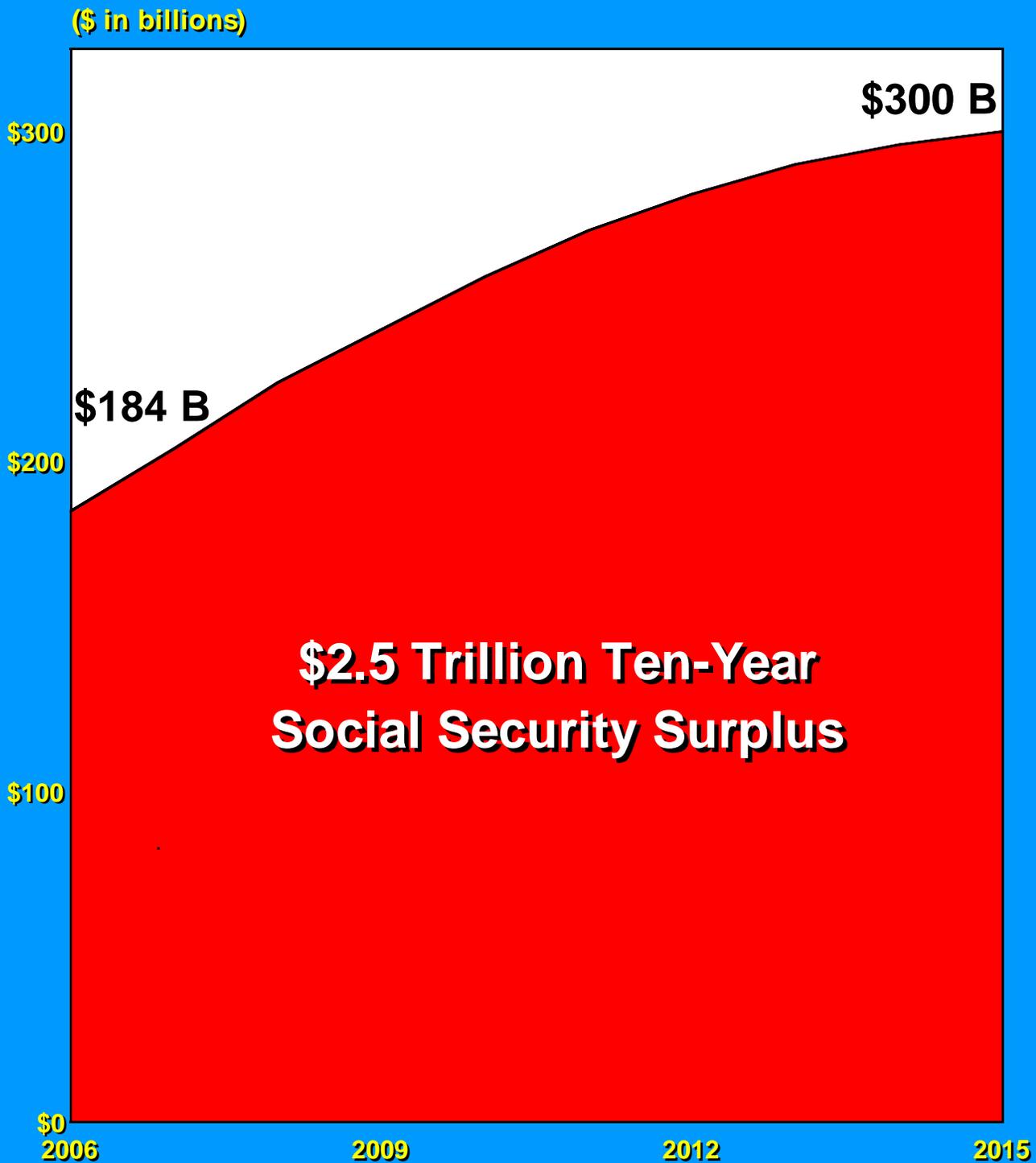
Source: CBPP, Social Security Trustees 2004 Annual Report
Note: Assumes that provisions of EGTRRA and JGTRRA are made permanent and the AMT is reformed.

President Bush Promised to Protect Social Security

**“None of the Social Security surplus
will be used to fund other spending
initiatives or tax relief.”**

**– Excerpt from President Bush’s FY 2002 Budget
*A Blueprint for New Beginnings***

Bush Budget Spends Every Penny of \$2.5 Trillion Social Security Surplus on Tax Cuts and Other Things FY 2006-2015



Source: CBO

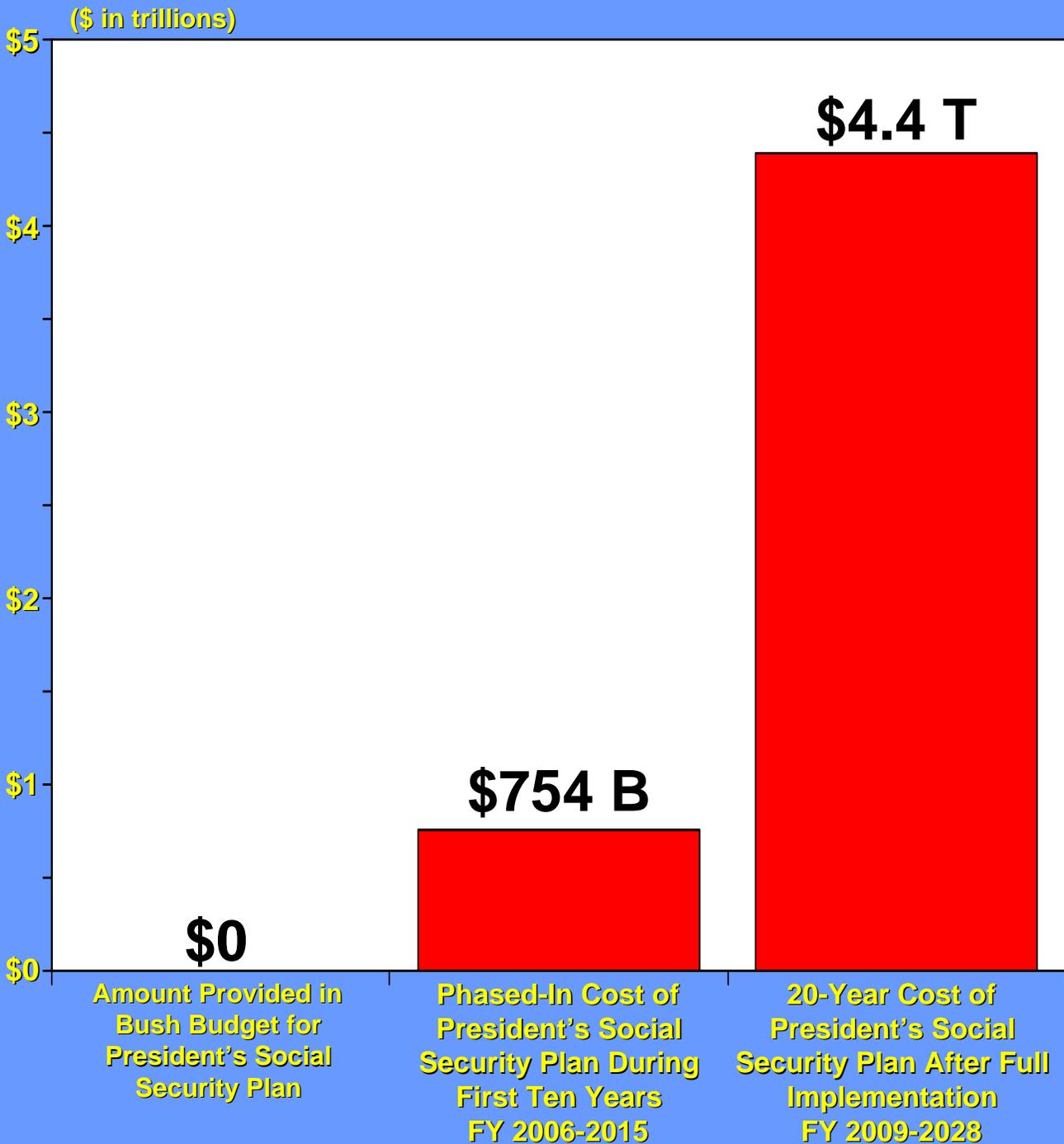
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Cost of Bush Tax Cuts vs. Social Security Surplus (FY 2006-2015)



Source: JCT and CBO

Bush Budget Provides No Funding for President's Social Security Plan

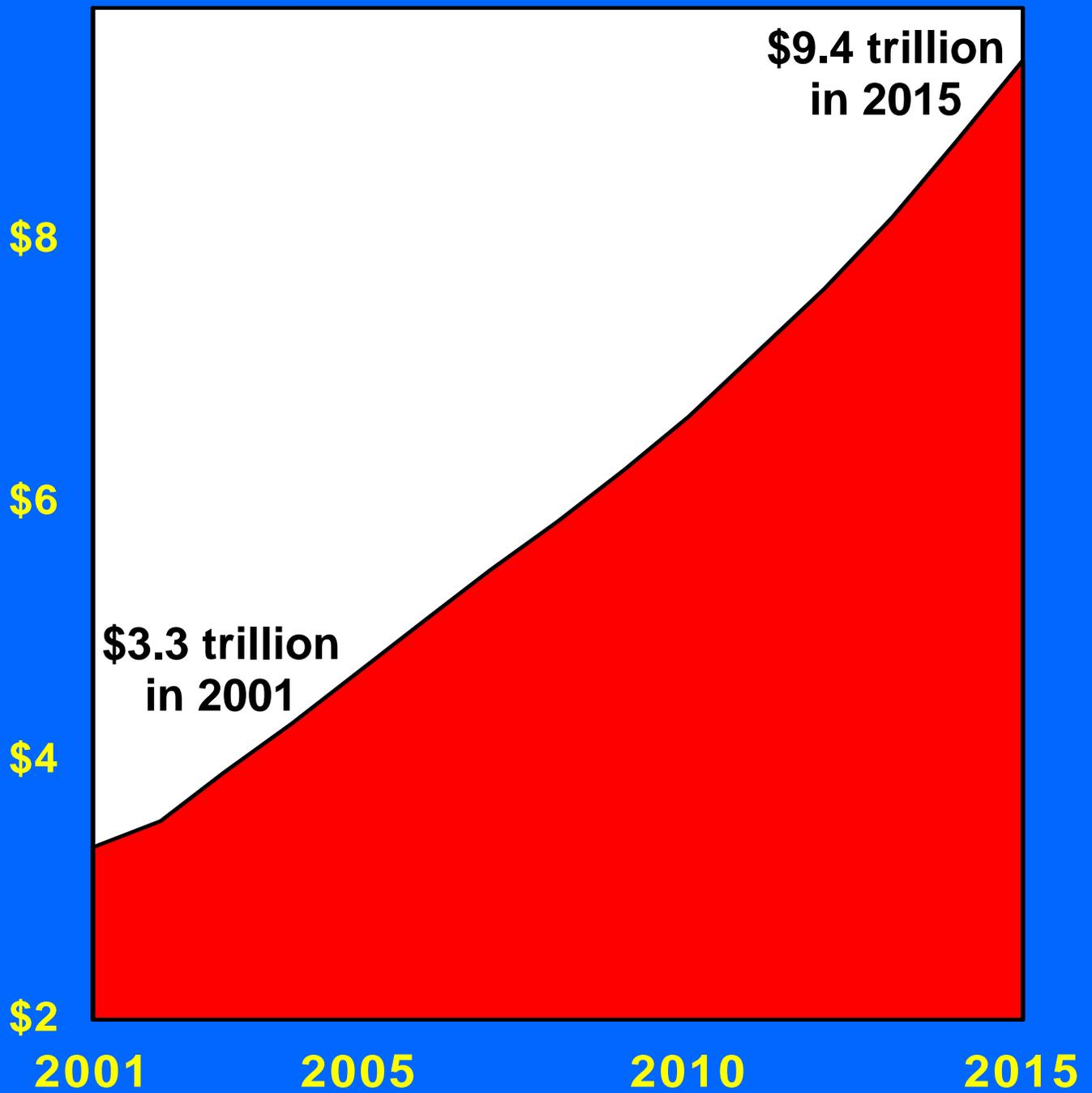


Note: The 20-year cost of President's Social Security plan assumes price indexing of benefits.

Source: OMB, SSA, CBPP

Publicly-Held Debt

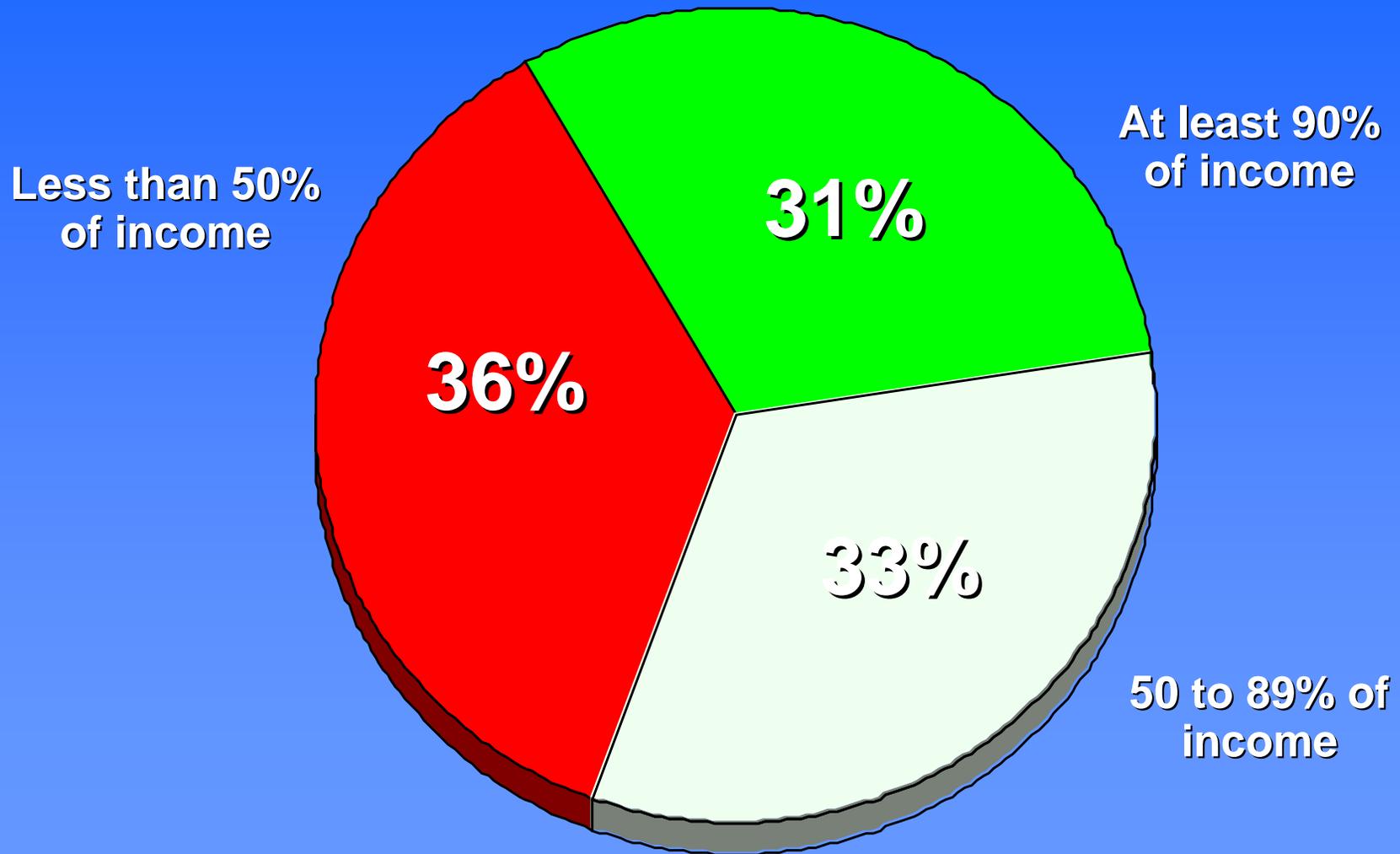
Assuming Bush Budget Policies



Source: SBC Democratic staff

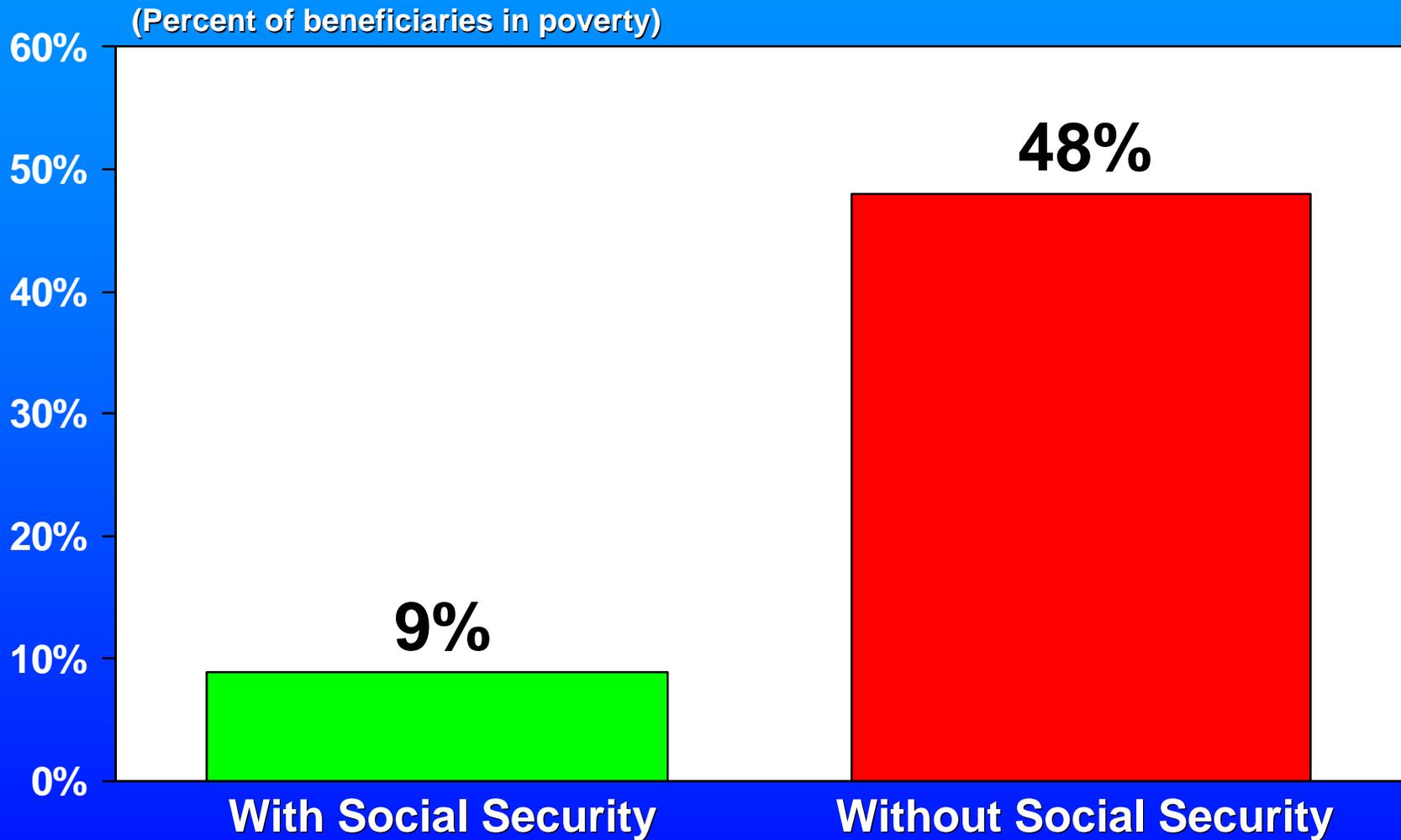
Note: CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

Two-Thirds of Retirees Rely on Social Security for More than Half Their Income



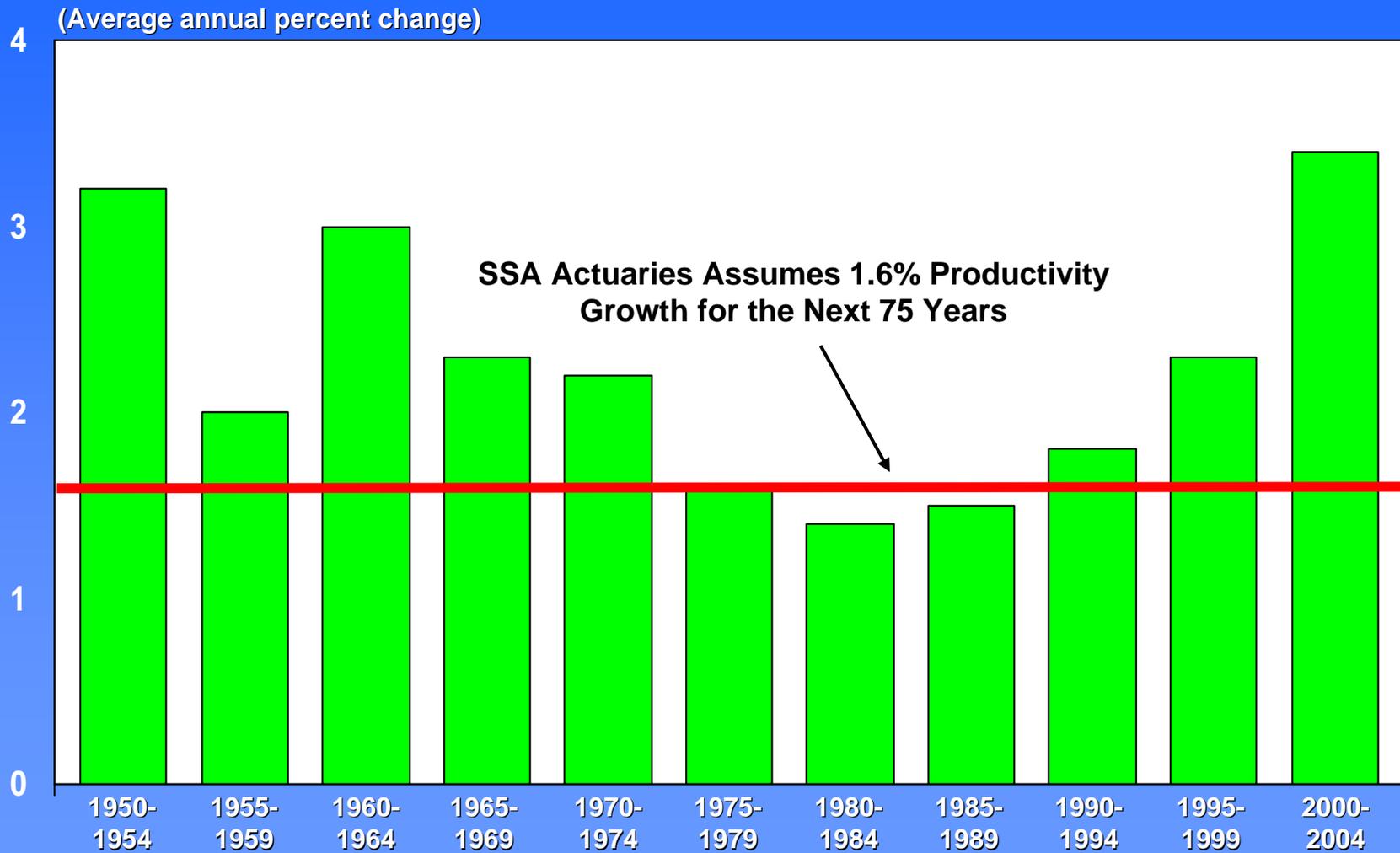
Source: Social Security Administration's Annual Statistical Supplement, 2001.

Nearly 50% of Beneficiaries Would Be in Poverty Without Social Security



Source: SSA

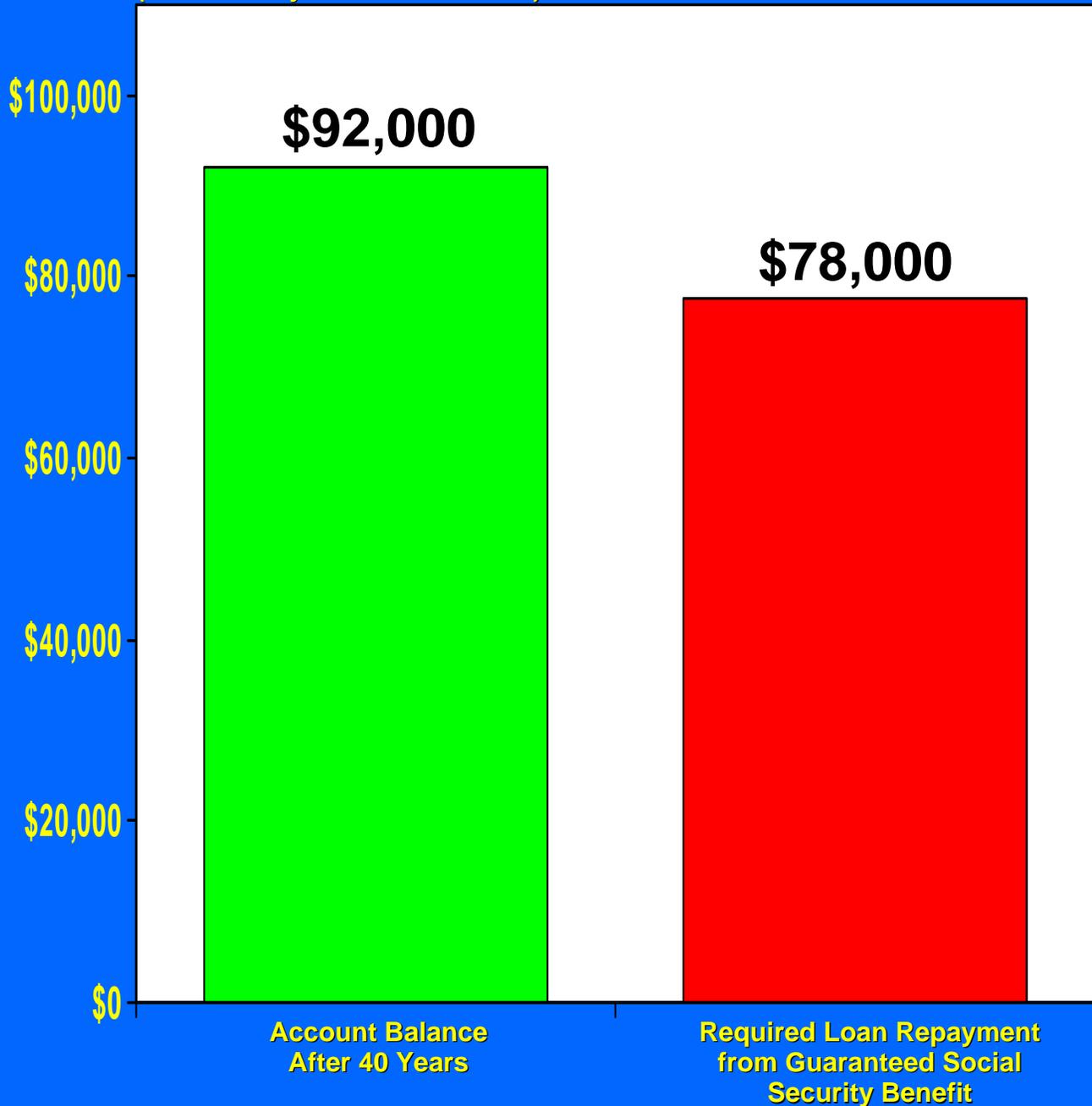
Recent Productivity Growth Stronger Than SSA Projects for Next 75 Years



Source: Department of Commerce

Under President's Plan, Workers Earning 6.5% Investment Return Must Repay 85% of Account Value through Additional Cuts in Guaranteed Benefits

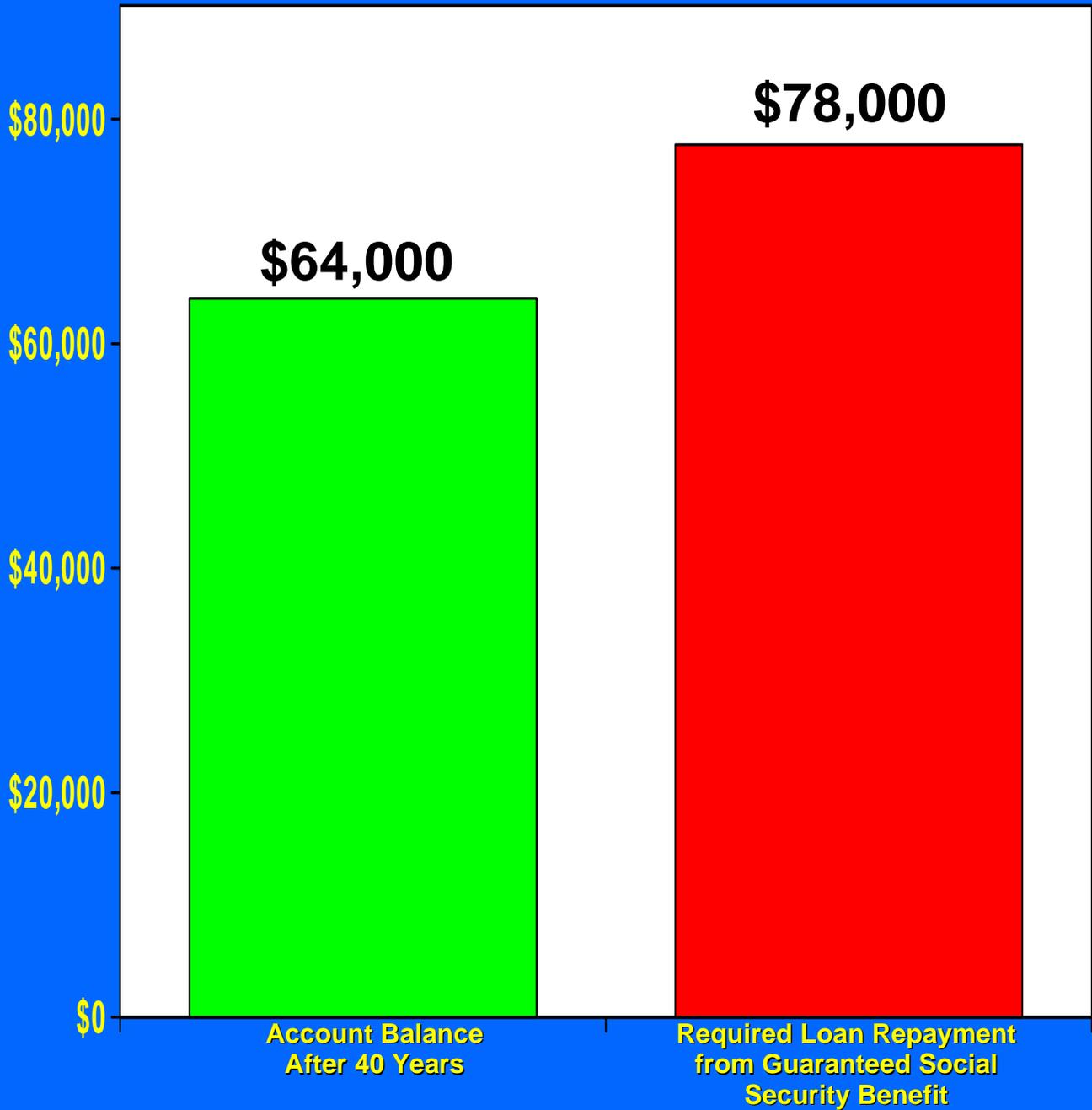
(Inflation-adjusted 2005 dollars)



Note: Assumes \$1,000 contributed per year. Account balance assumes 3.7% real rate of return (6.5% nominal); loan repayment assumes account contributions compounded at 3.0% real rate of return (5.8% nominal).
Source: SBC Democratic staff

Under President's Plan, Workers Earning 5.0% Investment Return Must Repay 120% of Account Value through Additional Cuts in Guaranteed Benefits

(Inflation-adjusted 2005 dollars)



Note: Assumes \$1,000 contributed per year. Account balance assumes 2.2% real rate of return (5.0% nominal); loan repayment assumes account contributions compounded at 3.0% real rate of return (5.8% nominal).
Source: SBC Democratic staff